

APPENDIX A
TIP SHEET - RENTAL

- Both new construction and rehabilitation (including conversion and preservation) of rental units are eligible activities. Transitional housing is also an eligible rental activity.
- All HOME-assisted units must be rented to households with incomes at or below 80% of the area median income. At initial occupancy, 90% of the units must be rented to households with incomes at or below 60% of the area median income; and on projects with 5 or more units, 20% of the units must be rented to households with incomes at or below 50% of the area median income. A list of area median income levels by county is on the IFA website.
- All assisted units must rent at the lesser of area HOME Fair Market Rents (HOME FMRs) or at a rent based on 30% of 65% of the area median income levels; if there are 5 or more units, 20% of the units must rent at the lesser of the HOME FMRs or at a rent based on 30% of 50% of area median income levels. A list of current rent levels is available on the IFA website. If tenants will pay their own utilities, then a utility allowance (generally provided by the local public housing authority) must be included in rent calculations.
- HOME-assisted units must remain affordable for a specific period. The affordability periods are 20 years for all newly constructed units; 15 years for rehabilitated units receiving over \$40,000 per unit; 10 years for rehabilitated units receiving \$15,000 to \$40,000; and 5 years for rehabilitated units receiving less than \$15,000. Long-term affordability for rental activities must be secured by covenants or deed restrictions.
- The maximum amount of HOME assistance per rental unit is the locality specific 221(d)(3) Maximum Mortgage Limit for Elevator Construction and the minimum is \$1,000. The maximum amount of HOME assistance per project is \$1,000,000.
- All units must be constructed or rehabilitated in accordance with locally adopted and enforced building codes, standards and ordinances. In their absence, the requirements of the Iowa State Building Code apply.

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http://www.iowafinanceauthority.gov/en/for_developers_managers/affordable_rental_production/home_program/

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